

Peace by Lease Screening Policy and Criteria

City of Portland Locations - Financially Responsible Applicants

Adopted October 2021

HOW TO BE ACCEPTED INTO TENANCY

Peace By Lease understands that there are traditionally many barriers to entry in the rental market. We meet people where they are, see them as more than the results of a report, and help them move forward in their lives via housing. We created a scoring system with the goal of providing a more equitable process by adding criteria that goes beyond standard screening requirements.

Our scoring system requires that each applicant reach 20* points in order to be accepted. How an applicant reaches those 20 points does not matter. There are opportunities to meet our point requirement through both traditional screening methods and alternative methods that add up to your total score. We highly encourage you to read the following information in its entirety. Please submit as many supporting options as possible during the initial application process to give yourself the best chance at approval without delay in the process.

Peace By Lease is committed to Fair Housing and Non-Discrimination. Specifically: landlord may not discriminate against an applicant because of the race, religion, sex, sexual orientation, national origin, marital status, familial status, or source of income.

*Per City of Portland regulations, income requirements are limited based on the rental rate of the particular property. Peace By Lease reduces the total points required to be accepted in accordance with these regulations. Please see the **City of Portland Income Limits Table** at the end of this document for further information.

REASONS FOR AUTOMATIC DENIAL OF TENANCY:

Regardless of one's ability to meet the 20 point requirement mentioned above, the following items are considered a hazard to other tenants and/or the owner's property and will result in denial of your application:

1. Current past due utility or property debts that you cannot prove a concerted effort to pay (examples of concerted effort: you have applied for the tenant relief funds, or entered into a repayment contract and are in good standing on those terms).
2. Ten or more unpaid collections (not related to medical expenses).
3. Felonies involving: murder, manslaughter, arson, rape, kidnapping, child sex crimes, or manufacturing controlled substances*.
4. Conviction of any crime that requires lifetime registration as a sex offender, or for which applicant is currently registered as a sex offender.

*If your conviction for controlled substances would not be considered a felony today (for instance, many marijuana charges in Oregon), this would not fall under automatic denial and standard criminal review would apply (see below).

OCCUPANCY POLICY

1. Occupancy is based on the number of bedrooms in a unit. (A bedroom is defined as a habitable room that is intended to be used primarily for sleeping purposes, contains at least 70 square feet and is configured so as to take the need for a fire exit into account.)
2. The general rule is “two heads per bedroom, plus one”. This means a 1 bedroom could accept 3 people, a 2 bedroom could accept 5 people and so on. A studio, or any unit under 500, square feet has a maximum of 2 tenants.

GENERAL STATEMENTS

1. Positive, government-issued photo identification that allows Manager to adequately screen for criminal and or credit history will be required.
 - A. Any government-issued identification regardless of expiration date.
 - B. Evidence of Social Security Number (SSN Card)
 - C. Valid Permanent Resident Card
 - D. Immigrant Visa
 - E. Individual Taxpayer Identification Number (TIN)
 - F. Non-immigrant Visa
 - G. Any non-government identification or combination identification that would permit reasonable verification of identity.
2. Each applicant will be required to reach twenty (20) points to be approved for tenancy.
3. Inaccurate, incomplete or falsified information will be grounds for denial of the application.
4. Any applicant currently using and/or manufacturing illegal drugs will be denied. If approved for tenancy and later illegal drug use is confirmed, termination shall result.
5. Any individual whose tenancy may constitute a direct threat to the health and safety of any individual, the premises, or the property of others, will be denied tenancy.
6. Co-signers and Guarantors must meet the same screening guidelines as tenants residing in the premises and will be equally liable for the terms of the lease.
7. Applicant approval will be based on the lowest score of all individually approved applicants. If one application is denied, all applicants will be denied.
8. Manager will notify the applicant of the results of the Manager's review within a reasonable time after receipt of all required information. *See "Information regarding applicant denials and right to appeal" below.
9. Manager will hold the unit for which the application was received for a reasonable time to complete the review. In the event that an applicant disputes a denial, the unit will be held, unless prior to receipt of the applicant's written request the unit was committed to another applicant.

INCOME CRITERIA

1. Income must be from a verifiable, legal source or sources to be considered. Having multiple part time jobs or contractor work is acceptable if the monthly income total is consistent. If an applicant will be using local, state or federal housing assistance as a source of income, "stated rent" as used in this section means that portion of the rent that will be payable by applicant and excludes any portion of the rent that will be paid through the assistance program

5 Points	Monthly gross income equal to 3 times stated rent.
4 Points	Monthly gross income equal to 2.75 times stated rent
3 Points	Monthly gross income equal to 2.5 times stated rent
2 Points	Monthly gross income equal to 2.25 times stated rent
1 Point	Monthly gross income equal to 2 times stated rent
Denial	Less than 2 times stated rent

Examples of verifiable documentation are: Recent pay stubs (YTD and tax info listed), formal monthly bank statements (3 consecutive months minimum), formal offer letter if within the first 60 days of employment, previous year's tax documents (w-4, 1099 or 1040), financial aid/scholarship award letter, court-assigned child support or alimony documents, Section 8 voucher, etc. Please ensure your name is clearly stated on each document. Canceled checks, informal letters from an employer or family member, and images of your bank balance/transactions are not sufficient.

2. Three months of verifiable employment will be required if used as a source of income.

3. Applicants using self-employment income will be required to submit records to verify their income. These records may include the previous year's tax returns, bank statements, check stubs, proof of payment via apps, or other methods deemed acceptable by the Manager in the review process.

RENTAL HISTORY CRITERIA

1. Rental history from a current unrelated, third-party landlord or home ownership is considered for the following criteria. Rental history from a relative must be proven with lease documents and proof of rent payments (receipts, bank transfers, etc.).

5 Points	2+ years rental history
4 Points	1-2 years rental history
3 Points	0-1 year rental history
-1 Point	3+ non-payment notices, or reports of insufficient funds in last 2 years
-1 Point	3+ reports of material non-compliance with lease terms in last 2 years
-3 points	Eviction or foreclosure outside of the Covid-19 covered period(s).

The screening company will attempt to contact prior landlords 3x/day for 3 days before issuing a screening recommendation.

CREDIT CRITERIA

1. Industry standard is to use a FICO score to determine ability to pay rent, therefore our screening agency delivers a FICO score and related report in the application screening process. We strongly believe that FICO scores have shown to add additional socio-economic oppressive blocks especially to single mothers, people of color, and people who experienced poverty in their past but are now back on track. We have considered this in our points system and additional ways to meet the points requirements.

5 Points	FICO Score 670+ or no prior credit history
4 Points	FICO Score 650-669
3 Points	FICO Score 625-649
2 Points	FICO Score 600-624
1 Point	FICO Score 550-559
0 Points	FICO Score under 550

CRIMINAL CONVICTION CRITERIA

1. Upon receipt of the Rental Application and screening fee, Manager will conduct a search of public records to determine whether applicant or any proposed resident or occupant has a “Conviction” (which means: charges pending as of the date of the application; a conviction; a guilty plea; or no contest plea), for any of the following crimes as provided in the “Evaluation of Applicant” section of Oregon Landlord/Tenant Law: ORS 90.303(3): drug-related crime; person crime; sex offense; crime involving financial fraud, including identity theft and forgery; or any other crime if the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant of the health, safety or right of peaceful enjoyment of the premises of residents, the landlord or the landlord’s Manager. Manager will not consider a previous arrest that did not result in a Conviction or expunged records. Manager will disregard convictions for crimes that are no longer considered crimes under current law. (Please include this information in your supporting documentation; although we do our best to stay abreast of law changes, our plate is full with Landlord-Tenant law and we cannot possibly know every criminal law change as it occurs.)

If applicant, or any proposed occupant, has a Conviction in their past which would disqualify them under these criminal conviction criteria, and desires to submit additional information to Manager along with the application so Manager can engage in an individualized assessment (described below) upon receipt of the results of the public records search and prior to a denial, applicant should do so. Otherwise, applicant may appeal a denial as set forth in "Information regarding applicant denials and right to appeal" below.

5 Points	Everyone starts with 5 points
-3 Points	Per incidence of items listed in (a) below Felonies
-2 Points	Per incidence of items listed in (b) below Certain Misdemeanors
-1 Point	Per incidence of items listed in (c) below Other Misdemeanors
Denial	As listed in REASONS FOR AUTOMATIC DENIAL OF TENANCY above

a. **Felonies** involving: drug-related crime; person crime; sex offence; crime involving financial fraud including identity theft and forgery; or any other crime in the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right of peaceful enjoyment of the premises of the residents, the landlord or the landlord's Manager, where the date of disposition has occurred in the last 7 years.

b. **Misdemeanors** involving: drug-related crimes, person crimes, sex offenses, domestic violence, violation of a restraining order, stalking, weapons, criminal impersonation, possession of burglary tools, financial fraud crimes, where the date of the disposition has occurred in the last 5 years.

c. **Misdemeanors not listed above** involving: theft, criminal trespass, criminal mischief, property crimes or any other crime if the conduct for which applicant was convicted or is charged is of a nature that would adversely affect property of the landlord or a tenant or the health, safety or right of peaceful enjoyment of the premises of the residents, the landlord or the landlord's Manager, where the date of the disposition has occurred in the last 3 years.

Supporting Documentation:

Applicant may redeem points lost due to criminal record, at the Manager's discretion, by submitting supporting documentation as follows:

- a. Statement from the applicant AND one or more of the following:
- b. Letter from parole or probation office;
- c. Letter from caseworker, therapist, counselor, etc;
- d. Certification of treatments/rehab programs;
- e. Certification of trainings completed;

Further notes regarding review of criminal history and Supporting Documents:

Manager will consider relevant individualized evidence of mitigating factors which include but are not limiting to the facts or circumstances surrounding the criminal conduct; the age of the convicted person at the time of the conduct; time since the criminal conduct; time since release from incarceration or completion of parole; evidence that the individual has maintained a good tenant history before and/or after the conviction or conduct; and evidence of rehabilitation efforts. Manager may request additional information and may consider whether there have been multiple convictions as part of the process.

ALTERNATIVE POINT OPTIONS

1 Point	Per letter of recommendation from community members, past landlords, educators, or employers (must be unrelated). Maximum of 2.
1 Point	Submission of personal essay or video essay.
5 Points	Cosigner that meets the points requirement
5 Points	Submission of an additional Security Deposit equal to 50% of one month's rent.
Note	In regards to addressing specific criminal convictions, please see "Supporting Documentation" in the Criminal Records section.

Information regarding applicant denials

In the event that an applicant is denied acceptance into tenancy, Manager will provide notice of the denial within 14 days. This notice will include an explanation of the reason for denial including any supplemental information provided by the applicant that was considered and why it was not deemed sufficient. Applicant will be provided the name and address of any tenant screening companies and consumer reporting agencies that provided a report if such report was included in the reason for denial.

Applicant may appeal the denial within 30 days. Manager is not required to hold the unit during the appeal. If the appeal is successful, the applicant will receive an approval which can be used at any comparable unit operated by the manager. If the applicant wishes to use this approval at another unit, they must self-certify that no conditions have changed since their approval. This approval will expire after 90 days, at which time the applicant must reapply and follow the standard screening process/criteria again.

City of Portland Income Limits Table

If the monthly Rent amount is **below** the amount listed for the number of bedrooms in a Dwelling Unit, a Landlord can require an Applicant to demonstrate a monthly gross income of up to but not greater than 2.5 times the amount of the Rent. *For this instance, the point value needed in order to be approved for rental with Peace By Lease is reduced to 18 total points.*

If the monthly Rent amount is **at or above** the amount listed for the number of bedrooms in a Dwelling Unit, a Landlord can require an Applicant to demonstrate a monthly gross income of up to but not greater than 2 times the amount of the Rent. *For this instance, the point value needed in order to be approved for rental with Peace By Lease is reduced to 16 total points.*

# Bedrooms	Rent Amount
0	\$1,353
1	\$1,450
2	\$1,741
3	\$2,011
4	\$2,243
5	\$2,476

These rent amounts are based on Department of Housing and Urban Development (HUD) 2021 limits.

These rent amounts will be valid until new rent amounts are published by HUD in the Spring of 2022, and the Rental Housing Application and Screening Minimum Income Requirement Table is updated.